(195) Department.

SERIES.

G.O. No. 1984

Dated 24 — 4 — 48

[Despatch Abstract.]

Estates - Whole inam villages which became estates under the Madras Estates Land (Third Amendment) Act, 1936 - Papers - Recorded

GOVERNMENT OF INDIA.

MINISTRY OF LABOUR.

No.LC-20(3) Dated New Delhi, the 21st November 1947.

From:

V. Narayanan, Esquire,
Joint Secretary tothe Government of India.

To:

1) All Provincial Governments, and State Governments of Baroda, Indore, Gwalior and Mysore.

2) All-India Organisation of Industrial Employers, 28, Ferozshah Road, New Delhi.

3) Employers Federation of India, Patel House, Church gate Street, Bombay.

4) Bombay Millowners Association, Elphinstone Building, Churchgate Street, P.B. No.95, Bombay.

5) Ahemdabad Millowners' Association, Lal Darwaza, Post Box No.7, Ahmedabad.

6) Bengal Millowners' Association, 2, Church Lane, Calcutta.

7) Southern India Milloners' Association, Race Couse, Coimbatore.

8) Employers' Association of Northern India, The Mall, Civil Lines, Cawnpore.

9) The Central Provinces Millowners' Association, Nagpur.

ation of Baroda State Mill-s and Industries, Baroda.

11) Kathiawar Millowners' Association, Dharangadhra House. Wadhwan Camp.

12) All India Trade Union Congress. R.L. Trust Buildings, 55. Girgaum Road. Bombay 4.

13) Indian National Trade Union Congress, Mazdoor Manzil, Bombay 12.

Sub: Constitution of India Industrial Committee on Cotton Textiles.

Sir,

I am directed to invite attention to the correspondence initiated with the Labour Departments letter No. LC-20(3), dated the 8th/14th March, 1947 on the subject indicated above, After carefully considering the views expressed by the Provincial and State Governments, the Employers' and Workers' Organisations,

the

the Government of India have decided that the Committee should consist of 39 members with, equal representation for Government, Employers and Workers Representation will be distributed as under:-

1. Governments

1. Government of India.	One representative each.
2. Provincial Governments of Bombay, Madras, Central Provinces and Berar United Provinces, Bihar and Bengal,	
3. State Governments of Baroda, Indore, Gwalior and Mysore.	One representative each.

True copy

Office Assistant,
Madras Record Office.

SD.4/9/1953

Summary of Proceedings of the Indian Industrial Committee on Cotton Textiles held in New Delhi on 12th to 14 the January 1948.

A G E N D A.

Standardisation of Wages and the rationalisation of the dearness allowances structure.

II. Measures for increasing production.

III. Training of workers with a view to increasing their efficiency.

IV. Provision for old age-institution of provident funds and insurance schemes.

List of Representatives Advisers etc. present Chairman.

The Hon'ble Shri Jagjivan Ram, Labour Minister, Government of India.

Government of India.

Mr. V.K.R. Menon, I.C.S., Secretary, Ministry of Labc

Mr. M.P. Bai, I.C.S., Joint Secretary, Ministry of Industry and Supply.

Mr. N.O.H. O'Neill., Deputy Secretary, Ministry of Industry and Supply.

Mr. S.C. Joshi. Labour Commissioner (Central).

Dr. N.Das, I.C.S., Director General, Resettlement and Employment.

Mr. S.N. Roy, Director, Technical Training, Directorate General of Resettlement and Employment.

Mr. S.P. Saksena, Director, Labour Conferences.

Provincial Governments.

Mr. S.K. Chatterjee, Secretary, Labour Department, West Bengal Government, Calcutta.

Mr. S.R. Bose, B.Sc. (London) Deputy Commissioner of Labour and Employment. Bihar.

Mr. A.S. Iyengar, Director of Labour Welfare, Bombay.

Mr. P.K. Sen. Deputy Director of Industries and Labour Commissioner, C.P. & Berar.

Mr. K.G. Menon, M.B.E., I.C.S., Joint Secretary, Government of Madras, Madras.

Mr. T.Swaminathan, Secretary, Industries Department, Government of U,P., Lucknow.

Mr. H.B. Shroff, Textile Expert, U.P., Lucknow.

States.....

States.

Mr. N.B. Gama, B.Sc. State Labour Officer, Baroda.

Mr. M.G. Sayant, Textile Commissioner, Gwalior.

Mr. A.L. Razvi, Labour Commissioner, Hyderabad.

Mr. Ramachandra Rao Bhombore, Commissioner of Labour, Mysore.

Muntazim Bahadur R.S. Date, Director of Labour, Indore.

Employers.

All India Organisation of Industrial Employers.

Mr. Bharat Ram (Inplace of Sir Sri Ram).

Employers' Federation of India, Bombay.

Mr. Dharamsay Mulraj Katau.

The Millowners' Association, Bombay.

Mr. Bhagvandas G. Menta.

Mr. N.H. Tata.

Mr. N.S.V. Aiyer.

The Millowners' Association, Ahmedabad.

Mr. Shantilal Mangaldas.

Mr. Madan Mohan Mangaldas.

Bengal Millowners' Association, Calcutta.

Mr. S.C. Roy.

Mr. S.K. Sen (Secretary and Adviser).

Southern India Millowners' Association, Coimbatore.

Mr. C.M. Kothari.

Employers' Association of Northern India, Cawnpore.

Mr. Sitaram Prasad.

Khan Bahadur A. Sakur (Adviser)

The Central Provinces Millowners' Association, Nagpur.

Mr. R.V. Deshmukh.

Indore Millowners' Association, Indore.

Mr. R.C. Jall.

Federation of Baroda State Mills and Industries Baroda.

Mr. Chaturbhujdas Chimanlal.

Workers.

contd.

Workers

All-India Trade Union Congress]

Mr. S.G. Patkar.

Mr. Sonelal

Mr. N.R. Neswaskar.

Mr. V.G. Balwaik.

Mr. G.D. Sane.

Mr. P. Ramamurti

Mr. Venkatkrishnan

Com. S. Krishnaswami.

Mr. Manek Gandhi
Mr. P.B. Vaidya.
Mr. Ram Singh
} Advisers.

Indian National Trade Union Congress.

Shri Hariharnath Shastri.

Shri S.R. Vasavada.

Shri B.D. Ambekar.

Sri S.G. Sthavali.

Shri Phani Ghose.

Shri R. Kuppuswamy

Socialist Party.

Mr. H.K. Sohoni

Mr. Chinnadurai

Shri Purusnottamdas Tricumdas (Adviser).

India Federation of Labour.

Mr. V.S. Mathur.

Observers.

Sri G. Pujari, Textile Expert to the Government of Orissa.

The follwoing is the text of the opening speech of the Chairman:-

Gentlemen, I have great pleasure in welcoming you to this Committee, the first meeting of the Industrial Committee on Cotton Textiles. This is the first important tripartite meeting to be held after the Industrial Conference in December last. The purpose of this Committee, if I may borrow the words of the resolution passed at the December Conference,

will

will be "to secure, promote and guarantee such agreements between the employers and workers as will usher in a period of contented and orderly advancement towards a co-operative commonwealth". The cotton textile industry is our premier industry. It is only right that it should set an example to other industries in the matter of organising a machinery for the study and determination of fair wages and conditions for workers, for increasing efficiency in methods of production and for promoting healthy industrial relations. I have every hope that this Committee will give a lead in these matters.

During the last year, for one reason or another, there has been a marked decline in the production of yarn and cloth. Against a monthly production of 125 million lbs of yarn and 401 million yards of cloth in 1944, production in 1947 was only 108 million lbs of yarn and 315 million yards of cloth a month. If the production/1944 were taken as ~~~/o the standard there has been an appreciable drop in production. This is admitted by all. You all realise the extreme importance of increasing production. I am aware that ~~ employers and workers hold different views both in regard to the causes for the decline in production and the measures necessary for increasing the output. There can be no more suitable opportunity for the discussion of differing view points than at a tripartite Committee of this type. Let us not forget that it is the poor man who suffers most by a scarcity. If we were sincere in our desire to do all that we can to raise the standard of living of the common man in this country, our first task should be to devise ways and means of ensuring an ~~~~~~ adequate supply of these essential commodities and services without which life becomes a burden. It is because of this supreme importance of increasing production that we have placed a paper on the subject for your consideration. Increased production would be of little benefit, if it is to be secured, even assuming that it can be, without the workers in the industry feeling that they are real partners in a great endeavour and that they take a fair share of the resulting profit. Every one of us fully realises that there is a considerable leeway to be made up in the matter of improving the working and living conditions of workers. There are many problems which we shall have to consider in this connection. As our time is short we have necessarily to make a choice of the subjects.

After giving very careful consideration to the sugges-tions received from the workers as well as from the employers we feel that this Committee should give immediate consideration to questions relating to wages, training and the institution of a Provident Fund. I know that nothing exercises the minds of the workers, and very rightly too, more than the question of fair wages, Wages have either been or about to be standardised in many important centres. We have still some problems to consider. We have therefore placed this question as the first item on the agenda. On an important and complicated question like this we can only come to general conclusions, leaving the details to be worked out by appropriate committees. We have endeavoured to assist the Committee by putting forward some suggestions for its consideration. These, I must emphasise, constitute only a basis for discussion. They are not being put forward as proposals from Government, because conclusions on the subject can only be reached after a full and frank discussion with the workers and employers.

Another important subject which uppermost in the minds of all is that of social security. As you are aware, we are arranging provision for health insurance. We have not so far taken up the question of provision for old age on any

large scale. Last year, as a result of the recommendations of the Conciliation Board in the coal industry, a decision was taken to institute a scheme of compulsory provident fund for all coalmine workers. This is a sound decision. I would suggest for the consideration of this Committee that a similar scheme should be introduced for the cotton textile industry as well. A scheme of old age pension would naturally be the right solution; but we have difficulties in adopting it. It is because of the recognition of those difficulties that the Asian Regional Labour Conference which met in this city a little over two months back, recommended that as a first step towards provision for old age, measures should be taken for instituting a compulsory provident fund scheme for workers in the majore industries. A provident fund scheme will not cover cases of people who die prematurely. The proposals put forward for your consideration include a scheme of insurance as well. Increased benefit must be sustained by increased efficiency. Indeed it is the only sound and enduring basis on which a higher standard of living can be built. Every possible effort should be made to increase the efficiency of the worker. The question of training facilities for workers in the textile industry therefore deserves serious consideration. It is one of the items on the agenda and I hope the members of the committee will be able to make definite and concrete suggestions as regards the nature and duration of the training, the type of institution that should be set up and the ways and means of financing the training schemes.

There is yet one other subject of very great importance, namely housing. The necessity to seek an urgent solution of this problem is recognished by all of us, both at the Centre and in the Provinces. I have had discussions with the provincial Labour Ministers on this question and as a result the Ministry of Labour is now examining this problem in the light of certain suggestions made during these discussions. The resolutions passed at the Industrial Conference on this subject is also before us. I hope it will be possible for Government to announce their policy before long. We have a heavy agenda to go through. I have every hope that we shall be able to reach not only definite conclusions on the various questions connected with these subjects but also promote a spirit of understanding and mutual respect so essential in the efficient working of the industry.

We have achieved independence, that is political independence: but that political independence will have no value or have very little value if we are not in a position to raise the standard of living of the common man. And for that purpose we will have to increase the production of essential commodities as far as we can and I am sure, given the co-operation between the workers and the employers and the necessary intervention by Government as suitable opportunities arise, we can go a long way in producing to the utmost capacity of the existing resources of the country and I am sure that this Committee will give a lead in this direction.

General.

The Chairman wanted to know whether the House would like to consider the whole agenda in the plenary session itself or would prefer to break into sub-committees. In view of the important questions on the agenda the consensus of opinion was in favour of the discussion in the plenary session.

Mr.G.D. Sane (Workers' group) wanted to include on more item, viz., 'handloom production' in the agenda.

The Chairman: While appreciating the importance of the subject pointed out that the Committee was convened to discuss industrial production and the proper place for the consideration of that subject would be the cottage Industries Committee.

Item 1

Standardisation of Wages and Rationalisation of Dearness Allowance Structure.

Mr. S.R. Vasavada (Workers' group) expressed the view that any attempt to standardize wages should take into consideration what the workers' plight was in 1939, that standardized wages must bring the worker to a fai living wage level in 1939 and that standardization should be so effected that the wage level in all centres should be practically the same although there may be some small differences in the wages in some mofussil centres due to certain local conditions. He said that although minimum wage has already been fixed in some of the majore centres of the industry he was not satisfied with the manner of fixation of the minimum wage which, according to him, should be living wage for the smallest wage-earner. He suggested that the Government of India should appoint a competent committee consisting of representatives of Government, employers and employees to supervise and bring about the work of standardization during a limited period. The standardization committee should help the Provincial Governments employers' and Employees' organisation and the guiding principle for the standardization ofmwages should be the fair level basis of the pre-war period. As regards standardization of occupational nomenclature, he state that a standardized list of the various occupations and sub-occupations should be prepared as has been done in Bombay under the Bombay Industrial Relations Act. As regards rationalisation of dearness allowance he saw no reason for not compensating the worker 100 percent for rise in the cost of living. So long as he did not get his living wage in the pre-war years a reduced rate of compensation was a double punishment to him. He was of the opinion that first of all wages would be standardized on the 1939 level and after that is done the time would come to de decide how far the worker should be compensated for the rise in the cost of living. He admitted that a stage will be reached when the dearness allowance will have to be split up into two parts--[illegible]- one part will have to go to the basis wage as part of the earning and the other part will have to be linked up with the cost of living. The question as to how that part of the dearness allowance which is to be linked up with the cost of living should be distributed as between the different categories of workers will require detailed consideration. He conceded that a worker getting the highest pay may not be fully compensated while a worker who has in the lower stratum had to be compensated fully. As regards payment of bonus to the workers, he said that the workers should have a share in the net profits of the industry to improve their standard of life. In arriving at the net profits, he agreed that due

allowance.

should be made for depreciation and the agent's commission, the scales for which had already been suggested in the Textile Enquiry Committee Report ten years ago though those scales should now be reduced due to changed conditions in the country. As for the shareholders, he though that they should not be paid anything more than what a Bank would pay to its clients as there was hardly any risk in the investment. He also pointed ou that after the workers had attained the living wage, the next step should be reduction of prices.

Mr. P.W. Waidya (Workers' group) said that it was his experience that the question of standardisation of wages is often mixed up with the question of fixing the minimum wage and a living wage and that often advantage is taken of standardization of wages to delay or obstruct the demand for a living wage. He cited the instances of Central Provinces, Kanpur and Madras. He suggested that the Committee should first come to understanding about what is a minimum or living wage and after that the question of fixing the differentials should be gone into. Referring to the argument of the capacity of the industry to pay, he drew attention to the Chairman's remarks (in some other connection) to the effect that no industry has a right to survive if it is not able to provide a living wage to the workers. He went on to say that if it is urged that the industry does not have the capacity, the answer should be that the State is prepared to take it over. He pointed out that the question of wages brooks no delay and as such a certain time limit, say a period of 3 months, for the fixation of wages, should be laid down, otherwise the Unions would not be in a position to restore confidence among the workers. As regards dearness allowance, while agreeing with the general principle advocate by Mr. Vasavada, that a fair living wage on pre-war basis should be fixed and then the rise in the cost of living should be neutralised, he went further and suggested that for those in th2 lower categories of income, more than 100 per cent neutralisation may be necessary. In this connection he stressed the need for rationalisation of cost of living index numbers as the present indices did not trulyreflect the rise in the cost of Living. As regards bonus, he expressed the opinion that it should not be treated as an ex-gratia payment but as inalienable right of workers. He pointed ou that many of the disputes take place over the question of bonus. Bonus should, therefore, be treated as a permanent right of the worker and there should not be any delay in the declaration of the bonus. There should be permanent understanding on this question so that the point may not have to be raised every year. He stated that musters, working conditions and the living conditions of the workers should also be standardized. He concluded by saying that a living wage, recognition of the unions, restoration of the civil liberties, trade union rights, old age benefits etc. should be guaranteed immediately as these are the pre-requisited to any industrial truce.

Mr. D.M. Khatau (Employers' group) felt that question like minimum wage, bonus, dearness allowance etc. were not peculiar to the cotton industry alone but would need an all -India considera-tion. They would perhaps be taken up by Committees and sub-Commit-tees which might have been set up to consider the various questions discussed at the Industries Conference held in December last. As such he was of the opinion that it would be premature to deal with them in that Committee.

The Chairman pointed out that the resolution about industrial truce was adopted at the Industries Conference in December last and that the Industrial Committee on Cotton Textiles is one of the steps towards implementation of the December resolution.

Mr. V.K.R. Menon explained that at the Decemberconference there was a unanimous desire not to rest merely with passing a resolution but to set up the necessary machinery. He thought that it was the desire of that Conference too, that the Central

Government will have to set up for co-ordinating the activities of all the Provincial Governments an Industrial Committee on each of the major industries. He pointed out that even if there was a Central Body for fixing the wage for all industries it would have to break up into separate committees for each industry.

Mr. D.M. Khatau wanted to know whether the decisions arrived at in this Committee would be of any use in view of the fact that a body was going to consider them from the All-India point of view. The decisions arrived at at this Committee may be prejudicial to other industries which might not be in the same position. He also raised the question whether it was worth while settling things industry-wise or it would be better first to take them up as general questions, lay down the general principles and then examine the application of those principles industry-wise.

The Chairman again intervened and pointed out that he saw no conflict between the work of the Industrial Committees and the Central Labour Council and explained that minimum wages will have to be fixed first for each industry and thereafter the question of co-ordination of the divergent recommendations of different committees will be put before the Central Labour Council, which would take into consideration all the factors that are necessary in the interests of the industry and the industrial development of the country as a whole.

Mr. D.M. Khatau still maintained that in his view the Central Committee should take decisions first, proceeding to Cotton Textiles--he suggested that standardization of wages at different centres should be fixed on a regional basis taking into consideration the prevailing level of wages in other industries including agriculture. The question of fixing a basic minimum for the industry on an all India basis was likely to present considerably difficulty. As a basic minimum for the whole country would upset the entire wage level in the country, the question would have to be gone into very elaborately which might not be possible in this Committee. The question of setting up a Central Wage Board or Wage Boards for different provinces should also be considered.

As regards dearness allowance, Mr. Khatau was of the opinion that it was dependent on the amount of basic wage and a competent body should investigate into the matter and then fix a fair figure.

With regard to bonus, he expressed the view that no decision can be taken in the matter industry-wise. If it is a question of profits being shared then the general basis should be settled first. He wanted to know if some consideration would also be given to the question of sharing losses when they occurred.

Mr. C.M. Kothari pointed out the difficulties of the industry in the South and expressed the opinion that standardisation of wages should be linked with standard efficiency and work load throughout the country. He pointed out that the working of three shifts in the mills will result in greater depreciation. As regards bonus, he stated that the mills in the South were running into debts till 1946 and it was only just then that they had been able to clear their debts. He agreed with the Bombay representative that a Wage Board should be sent up as early as possible to look into all questions relating to Wages.

Mr. S.C. Roy (Bengal) said that since industrial conditions also the output of workers varied from province to Province, standardisation of wages on an All-India basis, though desirable, was absolutely impossible in practice. He suggested that the question of standardisation of wages should be

in the hands of the Provinces who should do the needful with the helpful with the help of Tribunals formed on a Tripartite basis. There may, however, be an All-India Organisation set up for purposes of co-ordinating the decisions arrived at by the Provincial Tribunals by meeting annually or half-yearly. As regards living wage, he was of the view that conditions should be created so that the employers might be in a position to pay it and in this connection he referred to the need for rationalisation. With regard to dearness allowance, he expressed the view that the existing system should be continued and the question of absorption of dearness allowance in the basic wage might be taken up at a later stage. Since bonus is an ex-gratia payment, the matter of payment of bonues should be left to the industry.

Mr. Venkatakrishnan stated that the Tribunals, referred toby the previous speaker are not competent to state what the living wage, the dearness allowance etc. should be, as these are not questions requiring any legal interpretation. It if for the Government to lay down the policy with regards to wages, living conditions, working conditions etc. If standardisation was to take place effectively and usefully it could be done by a conference of employers and workers. He suggested that before standardizing wages and work, profits should be standardizing wages and work, profits should be standardized, for which the maximum should be the rateof Reserve Bank dividends. Referring to bonus he pointed out that if the profits are limited the entire benefit thereof would go to the consumer and then there would be no need for bonus at all. He had no objection to the fixation of work load in principle but he objected to the fixation of work loads to counteract the increased wages against which the mills have been protesting even by closing down. He felt that the Government has succumbed to the pressure from mills and have fixed work loads in Madras which would result in drastic retrenchment of workers and might compel them to give up their demand for increased wages.

He further complained against the interpretation by the millowners in implementing the awards of tribunals.

He stressed that the question of living wage did not depend on the capacity of the industry but it depended on t individual as he had to live.

Mr. B.C. Mehta (Bombay) was of the opinion that standardisation of basic wages is desirable provided it is done scientifically and satisfactorily, that different sets of basic wages should be fixed for different centres or areas, that in the case of of the textile industry it was not possible at adopt incremental scales of pay and that standardisation of occupatio nomenclatures should be done by an expert Committee. He asked for duerepresentation of employers and labour on the expert Committees which might be set up and desired that sufficient weightage might also be given to the remarks of the employers. As regards dearness allowance, he was of the opinion that it would continue to be linked with the local cost of living indices which for all centresn should be worked out on rational scientific and a uniform system of course taking into consideration the conditions in each province and at each centre. He was opposed to the absorption of part of dearness allowance in the basic wages and stated that it was not the time for that. As to the payment of bonus, he referred to the remarks of Mr. Khatau and urged that the fundamental principles concerneing profit sharing bonus, basic minimum wages etc. should be laid down by an all-India Committee. Those conclusions might then be applied to individual industries. He thought it unfair and discriminatory to reach conclusions a b the textile industry which the other industries may not agree to and the Government does not force them to accept.

He pleased for uniformity for allindustries and centres in India, He did not agree that wages in 1939 should be taken as the basis as he though that that year could not be taken to represent the normal year. He still maintained that bonus was an ex-gratia payment though the decisions of the industrial courts or the tribunals had been against that view.

Shri Phani Ghose (Bengal) expressed the view that the question of standardisation of wages and occupations nomenclatures should not be left to be determined by the Provinces but a principle should be laid down by this Conference. He pointed out the difficulties if things were to be left to be settled at the Provincial level. He was of the opinion that there should be some kind of legislation to the effect that employers should not have unfettered right to discharge or dismiss workers without reference to Courts or Tribunals. As regards bonus, he demanded that the workers should have their shares of the past profits and assets of the industry which have been built up during the war years. He agreed with the view that bonus should be given to workers as a matter of right every year.

Mr. P.A. Sen (Central Provinces) compared the case of the industry in Central Provinces with that in Bombay and quoting certain facts and figures expressed the view that if the intention was to maintain uniform standards of wages throughout the country then standardisation of wages on an All-India basis was not feasible and it should done on a regional basis. He contended that it was not possible to lay down time-scales of wages in view of the uncertainty of the position of the ~~xxx~~ industry in the future. He refuted the suggestion that the work of industrial tribunals had been delayed and that the Government or the industry was responsible for the delay. He ~~xxx~~ stated that a 20% to 25% interim increase in basic wages had already been allowed by the tribunal. He pointed out that so far as the payment of dearness allowance was concerned, in Central Provinces it was done on a scientific basis and that the payment of bonus was on a profit sharing basis. The Labour Advisory Committee in Central Provinces has already appointed several sub-committees to go into the question of wage Boards, Housing, Labour Welfare and also an all-indsutyr minimum wage if possible and on that basis to fix up occupational minima in different industries and the standardisation of wages in important industries. He referred to the recommendations of Divatia Committee on a basic wage of Rs.30/- for Bombay where the living wage was estimated to be between Rs.50/- and Rs.55/- and pleaded that since the living cost in Central Provinces was worked out to be about Rs.30/- to Rs.35/- the basic wage for Central Provinces should be proportionately less and differentials should again be correspondingly fixed up according to the work load that is given for the special type of production.

Shri Ambekar said that the textile industry should take a lead in standardizing basic wages. He pointed out that standardisation of wages does mean the fixation of certain minimum requirements, the fixing up of differentials and also takes into account the exisitng work loads. He expressed the view that every work and every occupation in the industry should be standardised and different wage levels for different work loads may be assigned. That procedure had already been adopted in Bombay and other Centres. He said that the efficiency factor, was outside the scope of standardisation of wages. Where piece rates are standardised, efficiency is paid for automatically. It was thus only in the case of time workers that efficiency had to be taken into consideration but that should not be a consideration for fixing low wages. As regards dearness allowa he was of the opinion that wages should be standardized first

and after that the Pay Commission's procedure may be allowed or in other words the workers may be classified into three slabs of incomes, those in the lowest slab being compensated to the full extent of the rise in cost of living, the next higher slightly less and so on. He, however, pointed out the defects of the existing Cost of Living indices and suggested that a proper Committee should be appointed by Government to supervise the working of the Cost of Living index numbers.

As regards bonus, he pointed out that the Industrial Tribunals have given the verdict that bonus is an industrial claim and expressed his surprise at the views of the employers to the effect that bonus should be taken as an ex-gratia payment. He stated that after making due allowances for agent's commission, share-holder's dividend and other charges of the industry, the whole of the net profits should go to bring up the level of wages to the living wage standards. As regards losses, he said that if losses occured after giving the workers their full living wage (and if the employers took only the minimum profits and the minimum requirements of the industry) it would be the duty of the consumers to look into the whole affair.

Mr. Neswaskar referred to the conditions obtaining in the industry in the States where wages are ridiculously low. He said that in coming to an agreement on the general principles of standardi-sation no exemption should be given to the States. He was of the opinion that uniform standards should be laid down regarding wages and that a flat rate of dearness allowance should be introduced all over India and that, bonus should form a part and parcel of worker's earnings.

Mr. Sane expressed the view that the calculations of standar--disation of wages should be based on the living wage standard. He said that the Textile industry should be the first to be nationalised and that the standard of living wage and full com--pensation for the rise in the cost of living should be the basis on which a resolution should be passed.

Mr. Sohoni said that the accounts of the Companies should be audited by Government auditors and referred to the French Works Councios Act which provides for the auditing of the accounts of the Companies by an auditor appointed by the workers themselves.

Mr. Swaminathan (United Provinces) said that the unfirom basic wages for all occupations all over the country may not be a feasible proposition. But there should be a uniform minimumwage particularly on the basis of real wage. The wages should be standardised first and then the question of dearness allowance should be tackled. He expressed the view that the standardisation of occupational nomenclature was very essential. Bonus should not be held any longer as an ex-gratia payment, and should be taken into account in calculating the basic minimum or higher basic wages. He further suggested that it was for consideration whether it would not be a good thing to split bonus into two parts and link one part with output of the industry. He considered the time scales of pay as desirable but suggested that periodic trade tests might be held before sanctioning the increments He was of the opinion that unless it was possible to find alternative employment for textile workers, the consequences of retrenchment, if any, would be serious.

Mr. Shantilal Mangaldas said that minimum wages will have to be fixed at different levels for different centres and that the standardisation of basic wages can also not be uniform through-out the country. He suggested the appointment of an expert Committee to examine the question of work load scientifically as working hours in India have been reduced in accordance with the International Standard. Referring to the profit

made during the war, he pointed out that the accumulated reserve fund is not enough to meet the replacement costs of machinery. He expressed the view that linking of bonus with profits was an all-India point which should be dealt w with by the Central Committee and not by any industrial Committee. He suggested a scientific investigation into work load for standardisation of musters too.

Mr. M.M. Mangaldas was of the opinion that the standar disation of basic wages is desirable but there should be an agreed scientific and ~~xix~~ satisfactory method of calculating minimum wages in various centres and ther -afte the various centres should adopt their ow standard of differentials because the efficiency of the workers as also the cost of living vary from centre to centre. He was in agreement with the proposed standar -disation of occupational nomenclature. He suggested the linking dearness allowance to efficiency of individual workers and was opposed to absorption of a part of the dearness allowance in the basic wages since times were not normal. The payment of bonus should also be on an ad-hoc basis every year. He generally agreed with Mr. Mehta.

Mr. S.K. Chatterjee (West Bengal Government) was of the opinion that it is not practicable to fix a uniform minimum living wage throughout the country and suggested that it should be fixed on a regional basis and that the work of standardisation of wages should be taken up regionally by Wage Boards or similar bodies. In fixing the minimum wage, care should be taken to find out whether the pre-war figuredid really represent the living wage. As regards dearness allowance, he pointed out that as there was a general shortage of goods and the entire community had to make sacrifices it would not be feasible to compensate fully only one section of the community, viz., the worker for the rise in the Cost of Living and as such a certain percentage for covering the rise would have to be fixed. Occupations should also be standardised by the Wage Boards and thereafter the differentials may be worked out to arrive at the wage structure. As regards uneconomic units of the industry, the question whether they should ~~not~~ pool their resources together would have to be considered. With regard to bonus, he suggested that the profits of the industry should be standardised and after deducting the standard profits from the total profits, the residue should be apportioned equitably between the workers and the employers keeping in view that the workers should share only the profits and not the losses.

Mr. Ramamurthi asserted that the textile industry has not been built by the Capitalists but by the working class which had been sweated all along. He suggested that the Committee should immediately draft a resolution which will call upon the Government to constitute immediately a Committee for laying down basic wages on the principle of a living wage in terms of current prices (and not on the prices before war). He agreed that wages should be standardised on an All-India basis and the benefit of a lower cost of living in certain regions should go to the workers rather than to the employers and said that the comparative work load of the workers in different centres should not be taken into account since it depended largely on the efficiency of the managements. As regards payment of dearness allowance, principles should be worked out which will compensate the workers fully for any rise in the present cost of living. With regard to bonus, the workers should get a substantial portion of the profits calculated, not on the capital inflated by the addition of bonus shares but on original subscribed h

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of bonus shares but on original subscribedshare capital. Finally he supported the suggestion that the workers should be placed on a time-scale.

Mr. Jall (Indore) of the opinion that standardisation of wages was very desirable but both the minimum wages as also the basic wage for different occupations should be different for different centres in the country. He pleased for a healthy co-operation between labour and management. As regards payment of dearness allowance, he stated that it should be based on product instead of being paid at a flat rate. As regards bonus, he was of the view that it should be linked with profits.

Mr. N.H. Tata pleaded for co-operation between capital and labour and said that all factors such as wages, efficiency, profits, capitalisation and nationalisation of industries, should be considered together.

Mr. R. Rao (Mysore) informed that standardisatinn wages on all-India basis might not be workable for the reasons that there were conditions peculiar to the Mysore State. The Government of Mysore proposed to appoint a committee for standardisation of wages according to the particular type of industry. The recommendations of that committee would be forwarded to the Central Government for approval and after that had been obtained those principles would be laid down for the guidance of the State. In that way there could be uniformity of principle all over the country though actual standard may differ according to local conditions. The same principle applied to the payment of dearness allowance. He stated that in Mysore, the employers have been found to be very considerate in the grant of bonus. He slso pointed out that the time-scale of pay was being experimented in Mysore.

Mr. Ayyangar (Bombay Government) expressed the view that the standardisation of basic wages was desirable and that although there might be a basic wage for India as a whole, differentials should be worked out allowing for differences in local conditions. He said that the minimum wage should of course be the living wage but if that standard could not be attained immediately, an approach should be made towards it. As regards time-scale of pay, he said that although it might not be possible to introduce it immediately, it should be recognised as desirable. He advocated the immediate standardisation of occupational nomenclature and expressed the view that the question of work load etc. should be entrusted to an expert Committee. As regards dearness allowance, he was of the opinion that it should be rationalised and paid on a sliding scale basis but the defects of the local cost of living indeces should be removed. He suggested that the level at which the cost of living index was likely to stabilise should be foundout and a part of the dearness allowance might be absorbed in the basic wages to attain that level. He said that bonus should be claimed by the workers as matter of right and provided the mills made profits beyond a particular limit, it should be possible to share those profits with the workers. He pointed out that the Tata Iron and Steel Co., have evolved a system of profit sharing and thought that it should be possible to evolve a similar system in the case of the Taxtile industry so that it might not be necessary to go to the Industrial Court every year.

While winding up the day's proceedings, the Chairman stated that the Industrial Conference held in December last adopted the Resolution about the industrial truce and the Ministry of Labour had a responsibility for setting up the machinery required for implementing that resolution. He made it clear that the machinery will have to be set up both in the Central and Provincial spheres

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and that Committee will act as the Central Co-ordination Committee in regard to textiles. There would be similar Committees for other major industries. All Committees would work under a Central Labour Advisory Council which was to be set up soon. In the same way, there would be committees in the Provinces, and the Centre would arrange the co-ordination with a view to ensuring the application of uniform principles as far as possible. He then summarised the results of discussion on each point as follows:-

The desirability of standardising basic wages throughout the country was accepted. It was also accepted by all that principles should be adopted in connection with the standardisation measures.

The chairman stated that it appeared from the discussions that the employer's and Government representatives and I.N.T,U.C. representatives agreed that the minimum wages should be fixed on a regional basis. All workers' representatives agreed that the basic wages should be dixed on the living wage standards. The view of the A.I.T.U.C. representatives was that basic wages should be uniform throughout the Country.

Some of the delegates agreed that there should be a time-scale while others spposed it.

A drafting sub-committee was appojnted to draft resolutions on the basis of the above concludions.

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The chairman pointed out that that was exactly the point where there was disagreement.

Mr.Khatau assured that the Textile Industry would certainly follow other industries in this respect.

Mr. Ramamurti pointed out that the figures regarding looms and spindles given by the employers would be much more if as compared to 1939; the number of shifts that have been working in the mills were taken into account. According to his method of calculation the increase in loomage and spindlage in 1945 over 1939 would be 55 and 90 per-cent respectively. He further contended that some 5 to 6 million yards of cloth was being smuggled out of the country every year. The problem of increasing production would not be tackled properly, unless a complete survey in all Factories was made in regard to the number and types of looms and spindles, types and quantities of yarn and cloth which could be produced and machinery installed etc. Referring to the Resolution regarding Industrial Truce passed in December last at the Industries Conference, he said that unless the employers and Government changed their attitude, co-operation was not possible. He pointed out that labour would not accept a nine hour shift. With regard to rationalisation and three-shift working, he wanted to know whether all the mills were going to work three shifts so as to absorb the displaced skilled labour in the third shift or whether the employers were going to create difficulties by saying that they have not got enough coal, electricity, bobbins, shuttles etc. and as such it was not possible for them work three-shifts. He objected to rationalisation being introduced. He pointed out that no comparison could be made of the efficiency and output of the Indian and Foreign workers, because wages and working conditions are not similar. According to him, production could be increased only by trusting the worker and by seeking his co-operation on terms of equality. Citing the case of adjudication in Mewar where it was held that wages could be reduced 12½% consequent upon the reduction of working hours from nine to eight, he said that all talk of adjudication is unreal so long as the worker is not assured of a living wage. He pleaded for production according to a plan in the preparation of which the workers and people should be associated.

Mr. Vasavada drev attention to the Resolution passed last year by the I.L.O. industrial Committee on Textiles to the effect that Governments, employers and employees should co-operate, combine and make all possible efforts to step up production so as to tide over the world emergency of cloth and regretfully pointed out that nothing in that directionappeared to have been done. He stated that the Minister for Commerce and the Minister for Industry and Supplyy had suggested to him in Bombay two measures, viz; the third shift and nine hours' work, for increasing production and that he had pointed out to them that the production figure was not actually so low as was suggested by the employers. He was satisfied at the Government's decision regarding standardisation of production of yarn and cloth. He stressed the urgency of setting up production Committees in which the workers who had experience of handling the machines, would have a chance of pointing out the defects etc. in the working of the Factories. The feeling that workers also had some responsibility towards the Industry could help in increasing production. He was opposed to the working of the third shift after midnight on humanitarian grounds because working after midnight was unnatural and unhealthy. He was not so sure whether it was necessary to work a nine hour shift but he wanted the question to be ldft for decision by the production Committees. He suggested that before the question of working the third shift was raised it should be found out whether all the 400 odd mills in the country had been working two shifts a day. If that was not so, there was no point in asking only a section of workers to go to the third shift. Similarly if it was proved beyond doubt that a nine hour working was the only means to step up production, the workers would work for nine hours, provided were paid the extra wages and dearness allowance as allowed he Factories Act. He referred to the system of a change over e shifts at Ahmedabad and said that the workers had an inherent n to working in the third shift and

leakage etc. and as such before the question of increasing production was discussed, investigation should be made by Government into the working of the industry all over the country and the method alleged to have been used for showing less production. He stated that in Bombay one of the responsible officers of the Bombay Millowners' Association was asking the mills not to show increased production unless the Government gave increased production unless the Government gave increased prices.

Mr. Mehta (Bombay Millowners' Association) refuted the allegation.

Mr.Tricumdas continuing said that the question of giving to the workers some incentive such as, good housing, better food etc., was important for increasing production. As regards three shift working, he was of the opinion that it could be introduced provided housing accommodation could be arranged for workers in the third shift. In this connection he pointed out that in bomoay severa military camps were lying vacant which coult be utilized for this purpose. He further wanted that when the threeshift was discharded, alternative employment should be found for the displace workers. He said that the Bombay workers would oppostnine-hour shifts. If, however, it could be proved that that was the only possible measure for increasing production, the workers should be compensated not only for the extra one hour of work but also by dearness allowance which was related to the wage. He poinned out that unless some basic demands of the workers were met it was futile to talk of industrial truce. He wanted to reform, with a view to avoid delay in disposal of cases, the adjudication machinery set up by the Government of Bombay. He suggested that since the workers were strongly opposed to rationalisation, it would be better not to discuss that question at the Conference.

Mr. Roy (Bengal Millowners' Association) said that one of the methods for increasing production should be the linking of a part of the workers' remuneration to production. The question as to what percentage of basic wages should be linked to production should be left to be decided by a Sub-Committee. He pointed out that the Prime-Nub Minister of England had said that the workers must think of increased remuneration in terms of production. He favoured the system of three-shift working but opposed nine hour working as the Bengal Millowners' Association was not prepared to pay double wages for the extra one-hour of work.

Shri Phani Ghose (Bengal) refuted the allegation that indiscipline on the part of the workers was responsible for the fall in production. He felt that as lot of trouble would follow the introduction of rationalisation it should not be introduced before some plan was settled for absorbing the displaced labour. He was of the view that unless suitable housing accommodation could be found for the night-shift workers it should not be introduced.

Mr. Khatau pointed out the difficulties of introducing a 3 shift working and thought that it might not be possible to introduce it in Bombay. He drew attention particularly to the difficulties of getting trained workers and of finding houses for additional workers. He felt that unless the feeling that an eight hour day was enough for the workers could be got over, it would not be possible to introduce the nine hour shift. If it was possible to rationalize work in a manner whereby out of existine compliment of workers trained men could be spared for the third shift and to pay a higher wage to the worker due to increased work, the industry as well as the worker would be satisfied. He suggested that if night shift was introduced in the textile industry, the remunerations of the workers should be paid on the same basis as was adopted in other industries in the country which were working night shifts.

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that it might not step up production at all. If, however, due to certain reasons the third shift became necesaary then it should be introduced with the consent of the workers, there should be no change over and the shift should be only for 6½ hours. While concluding the again pressed for setting up the production Committees immediately.

Mr. Singhania pointed out that the correct measure for finding out the index of production would be to compare the production of yarn and not the yardage of cloth as durable cloth consumed more yarn and gave small yardage. He all welcomed the suggestion of a Government enquiry to ascertain the leakage in production. According to his experience of Ahmedabad, the roduction in working hours had actually resulted in reduced production. He suggested the following four remedies for increasing production:-

(i) Installation of new machinery by way of putting up new mills.

(ii) Extension of existing mills.

(iii) Working nine hours a day by giving overtime wages.

and (iv) Resorting to three shift working. He ruled out the first two possibilities since new machinery would not be available till 1953 and new mills would take about 3 to 4 years before they could start working. They were then left with the last two alternatives. ~~They were then left with the last two alternatives.~~ It might not be possible for all mills either to introduce three shifts or to work nine hour shifts. He, therefore, felt that the two alternative courses might be left to the employers and workers in different areas. He pleaded for temporary rationlisation as in that case it would be possible to work three shifts with the same compliment of workers who were running the double shift.

The workers under the proposed arrangement would get higher wages and the country would got more and cheaper cloth and as soon as the emergency was over, the same workers would again revert to two shift working. Thus, instead of 16 hours' production, the mills would get a production 22½ hours in three shifts and where the 9 hour shift would be introduced the production would be for 18 hours instead of 16 hours. He thought that the flat rate of dearness allowance irrespective of output was one of the reasons responsible for slackening the workers' effort towards production. Referring to rates of wages for over time working, he pointed out that a cent percent increase in rates was too high and the mills would ~~no~~ not be able to pay the basic wages and dearness allowance at double the rate if nine hour working was to be adopted as a regular feature for sometime.

Mr. Sone Lal, who had himself been an industrial worker for about ten years, spoke in Hindusthani, He referred to certain mal-practices which he alleged were resorted to by the supervisors in the factories with a view to restrict production. He argued that the present management had failed to run the industry successfully and pleaded that, even though as an experimental measure, the management of the factories should be handed over to workers for 3 months and he assured that without the interference of the employers production would increase. He opposed the proposals for a nine-hour day or three shift working generally.

Mr. Sital Prasad (Cawnpore) pointed out that wages in Cawnpore were higher than those in Bombay and Sholaput though

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they were slightly lower than at Ahmedabad. He referred to the indiscipline among the workers and pleaded for co-operation between the workers and employers, in order to increase production.

Mr. Ivengar (Bombay Government) suggested the appointmen of a small sub-committee to check the accuracy of the statistics of production. The appointment of production Committees was a step in the right direction. The production Committees should find out the reasons of low production in the inefficient mills. The Bombay Government supported the third shift only under certain safeguards which were embodied in their Resolution on the subject. As regards nine hours' work, he expressed the view that it might not be introduced until other possibilities of increasing production had been explored. Although rationalisation might not be so objectionable, he thought that it need not be so objectionable, he thought that it need not be mixed up with the question of increasing production since labour objected to rationalisation. In case three shift working was started, the duration of the shifts should be 7 hours without any reduction of existing remuneration for the time-workers and with some compensation for piece workers. The transport facilities should be provided by the Government and the Canteens by the employers. For night shifts, higher rates of wages were desirable and that change over of shifts should be introduced only with the consent of the workers and not inspite of their refusal. The question of absorbing the surplus labour if and when the working of the third shift was stopped, should also be t ken into consideration.

Mr. N. S. V. Iyer refuted the charges made by Mr.Pursottam Das Tricumdas against the Bombay Mill owners association and pointed out that none of the strikes in Bombay was declared to be legal strikes under Bombay Industrial Disputes Act.

Mr.P.K. Sen (Central Provinces) thought that it was an accepted fact that production had gone down. As regards three-shifts, he pointed out that unless the Government of India assured his Government about the supply of coal and mill stores, it would be difficult to introduce the three shift workingin Central provinces. In this connection he referred to an award of an adjudicator ordering the payment of full wages to workers for enforced or compulsory idleness when a certain mill in the C.P. had to close down for considerable period for non-supply of coal. He felt that if the above principle was laid down it would be difficult to find a solution for running the third shift. He informed that enquiries made in C.P. revealed that fall in the production due to reduction in working hours was 7 and 5 percent respectively in spinning and weaving and that these figures had been accepted both by the employers and the workers. Thus, the workers had made up a part of the fall by increased efficiency. In accordance with the December resolution, the C.P. Government had gone for the appointment of production Committees and works Committees. A Committee and had been appointed under the Labour Advisory Board to work out the schemes of Production and Works Committees and that Committee is examining the question of increasing production with the help of technical experts. He pleaded that the Centre should not do anything which would cut accross the arrangements made by the Provincial Governments. As regards the third shift, he said that in C.P., according to an alternative Scheme there could be 20 hours working with 25 percent extra hands since in his province there was the question of absorbing the surplus labour and there was ~~the question~~ no attempt at retrenchment.

Item III - Training of Workers with a view to increasing their efficiency.

The Chairman suggested at this stage that if the need of training the workers is accepted by the House, Government may prepare a scheme in consultation with the employers' and workers' Organisations. He pointed out that the Directorate of Resettlement and Employment had training schemes.

Mr. Tricumdas said that he felt that the industry should contribute towards the scheme substantially.

The Chairman said that in the scheme for training in the coalmines there is a suggestion that the employers being a beneficiary should be made to pay.

Mr. Mehta wanted to know whether the Chairman was suggesting that the principle, namely, that the employers would have to pay had been accepted. The Chairman replied in the negative.

Mr. Mehta asked whether Government were satisfied that the existing Scheme were being fully utilized.

The Chairman said that the desirability of training the workers will be considered.

Item Iv - Provision for old age-institution of Provident fund and Insurance schemes.

The Chairman then took up the item on the above subject and said that a similar scheme for coal mines was ready which would become law by the end of the month. He suggested that on the basis of that scheme a similar scheme for textile workers might be prepared and kept ready for the next meeting.

Mr. Tricumdass said that the provident fund should be a contribution not only on the basic wages but on wages as defind under the Payment of Wages Act.

The Chairman agreed that there was considerable force in what he said and assured him that the point would be kept in mind;

Mr. Khatau said that since the question related to all industries it should be considered by the other Committee.

The Chairman asked whether the principle was accepted.

Mr. Singhania replied that if it was to apply to all industrial workers, they had no objection.

The Chairman stated that if a legislation was going to be enacted it would not be restricted to textiles only but it would be an enabling legislation.

(Attempts were made to arrive at agreed Resolutions on the various items on the Agenda but no agreement could be reached.)

The Chairman thanked the members for the frank discussions which had taken place on various items. He pointed out that in the Tripartite Conferences the practice so far had been to hear the view points of the employers and workers. The Government thereafter took such action as was thought to be necessary. On the present occasion discussions had taken place not only in the Plenary Session but also in the Drafting Committees and an attempt was made to have some agreed resolutions which was an innovation in Tripartite Conferences. Although no resolutions could be adopted the Government would take the necessary legislation or executive action on the various items on the basis

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of the discussions held. He stressed the need for increasing production and improving the condition of the working classes in the country and appealed to the employers and employees to try to raise the standard of living in the country.

Mr. Ramamurti (Indian Trade Union Congress) thanked the Government of India and the Chairman for the excellent way in which the conference was conducted. As regards heat and animosity, he pointed out that ~~that~~ was due to no other motive than the anxiety of the the workers' group to place before the House as correctly as possible what exactly the working classes had been thinking and what exactly they expected the Government of India to do for them. He concluded by saying that it was only by co-operation and not by coersion orders that production could be increased.

Mr. Shastri while thanking Governement would take the earliest possible steps to implement the conclusions that have been arrived at though not unanimously but in the course of observations and speeches so that justice might be done to labour and to the country.

Messrs Mehta and Iyengar also thanked the chairman.

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The Summary at pp 107-148 of the Proceedings of the Indian Industrial Committee on Cotton Textiles held in New Delhi on 12th to 14th Jan 1948 is submitted for perusal.

Govt of India will be taking necessary action on the basis of discussions held (Vide M on p 148 of). No action by this Govt seems necessary now. A Copy of the proceedings may be Communicated to the Commissioner of Labour and the papers' records

Recorded

G.O.Ms 1984 Dtd 21.6.48.

True copy

S. Jagannadham
Office Asst in charge
16-6-48